



The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



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SERVING OVER 330,000 MEMBERS

April 2013

City's largest building scores big lease

By Daniel Geiger

CRAIN'S NEW YORK BUSINESS

Slammed by Superstorm Sandy, Manhattan's largest office building (by square footage) is making a comeback.

Liberty Mutual, the life insurance and financial services company, has signed a 10-year lease for 120,000 square feet at 55 Water Street. The deal doubles Liberty Mutual's footprint at the property. The transaction is another sign of the success that landlords of Sandy-stricken downtown buildings are having in convincing tenants to renew and in some cases even expand their offices. Price has something to do with that. Asking rents at 55 Water Street are in the \$40s per square foot, which compares well with Midtown and even Midtown South.

Harry Bridgwood, an executive at New

Water Street Corp., which owns and manages the property, said that ownership has invested over \$200 million repairing the tower and storm proofing it to avoid damage if future flooding occurs. The work, which he said includes moving key infrastructure such as electrical systems to the building's third floor, has eased any lingering concerns about the property's vulnerability to rising sea levels. "We've invited tenants to see what we're planning and the work we're doing so they can be assured," Mr. Bridgwood said.

55 Water Street, like many office towers on the eastern edge of lower Manhattan, was inundated by flooding during the storm. Electrical systems were fried, the building's 80 elevators were paralyzed and its below-grade levels were swamped with millions of gallons of corrosive seawater. Mr. Bridgwood led a team that has worked around the clock since then, restoring power to the property using temporary generators while rebuilding the electrical systems and making other repairs.



During repairs, a fire erupted in the building's basement in November, which left 27 injured. He said that the building's elevators, the majority of which are now working, would be fully operational by next week.

Editor's Note: 55 Water is RSA's largest and most profitable real estate holding. The building is the second largest private building in America, with the Willis Tower (the old Sears Tower) in Chicago being the largest. ■



Legislative Update

By Lindy Beale, Legislative Counsel

The first half of the 2013 Regular Session is behind us, but due to the passage of controversial legislation, both the House and Senate are exercising "extreme deliberation" in the legislative process. In other words, the minority party has slowed down the session.

While the RSA is tracking numerous pieces of legislation, relatively few bills have been introduced that negatively impact the TRS, ERS, or PEEHIP. One

piece of legislation that the RSA strongly opposes is SB132 by Sen. Waggoner and HB327 by Rep. Farley, which allows an ERS member who is certified as a law enforcement officer to retire and return to work immediately—receiving both a retirement benefit and a salary. This is double dipping at its worst and would increase the cost to the state. Historically, once a specific group passes legislation for an exception, it is not long before other

groups attempt to pass similar legislation to be exempt from the law. The RSA has always maintained that it is better to treat all members equally and not create special legislative exceptions for a few, especially when there are increased costs involved.

Higher Education is supporting legislation that changes the makeup of the TRS/PEEHIP Board of Control. SB303

Continued on page 2

Birmingham Resort Wins Top 25 Golf Honors

With southern charm and temperate weather, Birmingham is a popular year-round destination for those making the pilgrimage to one of the many Birmingham, Alabama, golf courses. And with the latest listing by *Golf Resort & Meeting Destinations* magazine, the **Renaissance Birmingham Ross Bridge Golf Resort & Spa** is one of the top 25 golf resorts in the U.S.!

One of the resorts' many honors, this top 25 listing puts the Renaissance among the elite destinations for professional and amateur golfers alike, as well as those who simply have an appreciation for a beautiful resort.

Golf Resorts & Meeting Destinations' goal is to provide the best publication serving the business traveler, meeting planner, incentive travel planner and affluent golf traveler. The magazine and accompanying website feature the best of the best when it comes to playing and staying, meeting and greeting, or simply locating the perfect destination.

Set amongst beautiful rolling hills, the Renaissance Birmingham Ross Bridge Golf

Resort & Spa is one of the finest hotels in Birmingham. Secluded from everyday cares, yet close to a vital city, the hotel in Birmingham exemplifies comfortable sophistication and the casual elegance of a royal retreat.

The luxurious guest rooms at the Renaissance Birmingham Ross Bridge Golf Resort & Spa include balconies overlooking striking grounds, as well as a signature pool featuring enchanting waterfalls and fountains. The awe-inspiring grounds at this travel resort in Birmingham also feature the third-longest golf course in the world and a Robert Trent Jones Golf Trail course highlighted by sweeping majestic views of the surrounding foothills.

Guests are invited to experience this Birmingham hotel's luxury and discover a delightful escape. To book a stay or make reservations at the award-winning spa, guests are invited to visit www.rtgolf.com/resorts/rossbridge or contact the hotel directly at 205.916.7677. ■



What Makes Health Care So Expensive

Time Magazine

Average drug prices are sky-high

THE PRICE OF...

One Lipitor pill in the U.S.



is the same as that of three in **Argentina**

One Plavix pill in the U.S.



is the same as that of four in **Spain**

One Nexium pill in the U.S.



is the same as that of eight in **France**

Legislative Update

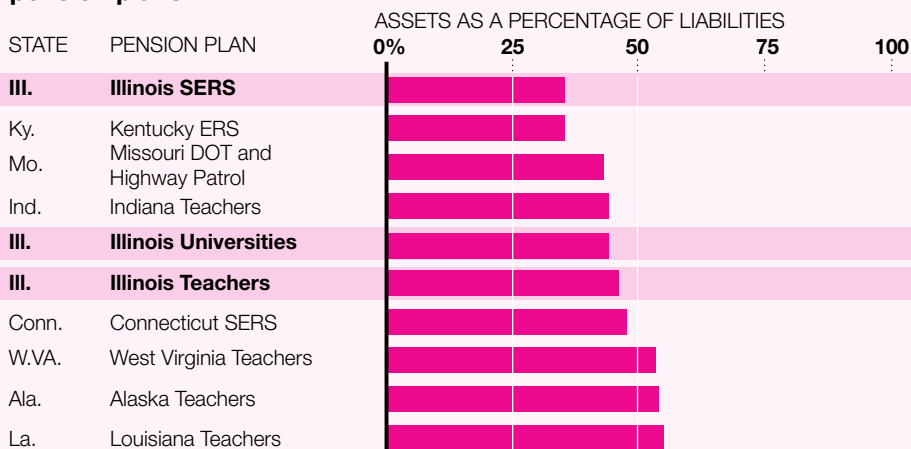
continued from page one

by Sen. Allen and HB425 by Rep. Boothe allow employees of Alabama's universities two seats of elected representation on the TRS/PEEHIP Board. The legislation removes the Executive Secretary of the Alabama Education Association and one educational support personnel representative from K-12. The legislation also changes the way elections are currently conducted to be consistent with the ERS Board elections, where each member of the board would be elected by members from the same classification of the retirement system. Thus, retirees would only vote for retirees and university employees for the higher-education positions, etc.

By law, this session must end by May 21, 2013. ■

A Deep Hole

Illinois is home to three of the 10 most underfunded U.S. state pension plans.



Source: National Association of State Retirement Administrators

Wall Street Journal

ALABAMA: Lowest Cost State in the Southeast

Source: SEIB

| State | Coverages | | | Active Employee Rates | | | | | |
|-------------------------------------|------------|--------------|------------|-----------------------|------------------|------------------|-------------------|-------------------|------------------|
| | Medical | Prescription | Dental | Single Coverage | | | Family Coverage | | |
| | | Drug | | Total Cost | Employee Share | State Share | Total Cost | Employee Share | State Share |
| Alabama | Yes | Yes | Yes | \$380.63 | \$24.72 | \$355.91 | \$1,006.85 | \$214.72 | \$792.13 |
| Arkansas | Yes | Yes | Yes | \$439.38 | \$95.78 | \$343.60 | \$1,161.84 | \$419.62 | \$742.22 |
| Florida | Yes | Yes | Optional | \$549.80 | \$50.00 | \$499.80 | \$1,243.34 | \$180.00 | \$1,063.34 |
| Georgia | Yes | Yes | Optional | \$458.80 | \$122.56 | \$336.24 | \$1,376.40 | \$316.86 | \$1,059.54 |
| Kentucky | Yes | Yes | No | \$603.82 | \$32.68 | \$571.14 | \$1,460.20 | \$484.24 | \$975.96 |
| Louisiana | Yes | Yes | Optional | \$575.92 | \$143.98 | \$431.94 | \$1,290.16 | \$501.10 | \$789.06 |
| Mississippi | Yes | Yes | No | \$376.00 | \$20.00 | \$356.00 | \$1,023.00 | \$667.00 | \$356.00 |
| North Carolina | Yes | Yes | Optional | \$432.56 | \$21.62 | \$410.94 | \$1,043.68 | \$632.74 | \$410.94 |
| South Carolina | Yes | Yes | Yes | \$401.32 | \$97.68 | \$303.64 | \$1,063.62 | \$327.90 | \$735.72 |
| Tennessee | Yes | Yes | Optional | \$591.06 | \$106.39 | \$484.67 | \$1,536.77 | \$276.62 | \$1,260.15 |
| Texas | Yes | Yes | Optional | \$438.30 | \$0.00 | \$438.30 | \$1,275.58 | \$418.64 | \$856.94 |
| Virginia | Yes | Yes | Yes | \$501.00 | \$50.00 | \$451.00 | \$1,355.00 | \$165.00 | \$1,190.00 |
| West Virginia | Yes | Yes | Optional | \$468.00 | \$87.00 | \$381.00 | \$1,021.00 | \$243.00 | \$778.00 |
| Average w/o Alabama | | | | \$486.33 | \$68.97 | \$417.36 | \$1,237.55 | \$386.06 | \$851.49 |
| Percentage of Total | | | | | 14.2% | 85.8% | | 31.2% | 68.8% |
| Alabama Over/Under Average | | | | (\$105.70) | (\$44.25) | (\$61.45) | (\$230.70) | (\$171.34) | (\$59.36) |
| Median Active Employee Rates | | | | \$458.80 | \$50.00 | \$410.94 | \$1,243.34 | \$327.90 | \$792.13 |
| Percentage of Total | | | | | 10.9% | 89.6% | | 26.4% | 63.7% |
| Alabama Over/Under Median | | | | (\$78.17) | (\$25.28) | (\$55.03) | (\$236.49) | (\$113.18) | \$0.00 |

RTJ Trail is Alabama's Number One Tourism Attraction

More than 592,000 golfers played the Robert Trent Jones Golf Trail last year, ranking it number one among state attractions that charge admission.

Nine of the state's Top Ten attractions charging admission showed an increase in attendance over previous years. Attendance figures were collected by the Alabama Tourism Department from local

tourism organizations.

The U.S. Space & Rocket Center in Huntsville ranked second with attendance of 572,650. The Birmingham Zoo was third with 540,816 and the McWane Science Center, also in Birmingham, placed fourth with 413,483 visitors. The USS Alabama Battleship Park in Mobile was fifth with 368,003.

The Montgomery Zoo was sixth with

249,951. Huntsville Botanical Garden ranked seventh with 235,000 and the EarlyWorks Museum Complex in Huntsville was eighth with 192,000. The Alabama Theatre in Birmingham was ninth with 175,000. Point Mallard Park in Decatur was tenth with 155,066.

For more information, contact the Alabama Tourism Department or visit www.tourism.alabama.gov. ■

WANT TO HELP?

A FREE Car Tag

Tired of that worn-out dealer tag on the front of your car? Would you like to help the RSA and our Alabama Tourist Department advertise "Alabama's Robert Trent Jones Golf Trail" on your front bumper? If so, call to request a tag at 334.517.7000, or 877.517.0020, or write:

Tag • P.O. Box 302150 • Montgomery, AL 36130-2150



THINK OF THIS

China has about four times the U.S. population. In 1996, China had only 3 million college students. In 2013, China now has more than 23 million college students.

We must never stop expanding and improving education!

Start Planning Your Summer Getaway at RSA's Outstanding Hotels, Spas, and RTJ Golf

RETIREMENT SYSTEMS OF ALABAMA
201 SOUTH UNION STREET
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MONTGOMERY, ALABAMA 36130-2150

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U.S. POSTAGE
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MONTGOMERY, AL
PERMIT NO. 402

ENJOY YOUR SPRING/SUMMER A Special Deal FOR RSA MEMBERS

The Battle House,

A Renaissance Hotel – Mobile – \$109

- April 1-3, 7-10, 14-15, 18, 21, 28-30
- May 1-4, 10-11, 19-31 • June 1-11, 22, 30

The Renaissance Riverview Plaza – Mobile – \$99

- April 1-3, 7-10, 14-15, 18, 21, 28-30
- May 1-4, 10-11, 19-31 • June 1-11, 22, 30

Marriott Grand – \$109 plus a 15% resort fee

- April 1-2, 7-8, 14-15, 17, 21-22, 28
- May 5-7, 13-16, 19-20, 27-28 • June 2-4, 12, 19-20, 30

Marriott Grand – RSA Golf Package – \$179

NEW! Enter code – RSPRSPA

Includes: Deluxe Room, One Round of Golf for Two People.
Call for Tee Times after booking package

- April 1-2, 7-8, 14-15, 17, 21-22, 28
- May 5-7, 13-16, 19-20, 27-28 • June 2-4, 12, 19-20, 30

Marriott Shoals – Florence – \$99

- April 1, 7-8, 13, 18, 28 • May 5-6, 12-13, 23, 27-28
- June 2, 9-10, 16-17, 23-24

Renaissance Ross Bridge – Hoover – \$109

- April 1-4, 14-30 • May 1-2, 5-7, 12-15, 19, 22-23, 27-30
- June 2-6, 9-12, 16-20, 23-27, 30

Opelika Marriott – \$99

- April 1-4, 7-10, 14, 16-18, 21-25, 30
- May 1-2, 6-8, 12-13, 15-16, 19-23, 26-30
- June 2-6, 9-20, 23-30

Prattville Marriott – \$89

- April 7, 11-14, 21-22, 26-27 • May 3-5, 10-12, 19-31
- June 1-5, 8-9, 14-18, 23, 27-30

Renaissance Montgomery – \$109

- April 5-8, 11-13, 21-22, 26-29 • May 2-6, 12, 24-31
- June 1-2, 21, 28-30

RSA Spa Package – \$189

- NEW! Enter code – RSPRSPA Includes Deluxe Room
- April 11 • May 2, 28-30 • June – Sorry, no dates available

Rates available the 1st of the month
and are not applicable to groups, and specific room
requests may require an additional charge.

800-228-9290 Ask for RSA rate.

NEW! Internet Group Code: RSARSAA
on marriott.com

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Montgomery, AL 36130-2150

*Include your Name/Address and Zip Code

Water & Products

Source: 13D Research

Increasing water scarcity in many parts of the world is driving growth in “virtual water” trade. Many water-poor nations increasingly import water-intensive commodities, such as grain and electronics, which are produced elsewhere as a means of conserving domestic water supplies, according to a recent study. Virtual water trade happens via import/export of a wide variety of products because water is used in the manufacture of virtually all products. For instance, on a given day, a person likely wears over 15,000 liters (4,000 gallons) worth of water, because it takes 2,700 liters of water to make a cotton shirt and 9,800 liters to make a pair of blue jeans. Overall, 22% of global water consumed is “virtual water” imported across international borders, and will be an important mechanism for mitigating spreading drought in many regions. ■

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